

[CHAPTER 43]

AN ACT

Establishing a small claims and conciliation branch in the municipal court of the District of Columbia for improving the administration of justice in small cases and providing assistance to needy litigants, and for other purposes.

March 5, 1938

[S. 1835]

[Public, No. 441]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the municipal court of the District of Columbia a small claims and conciliation branch.

Municipal court,
District of Columbia.
Small claims and
conciliation branch,
establishment.

SEC. 2. Whenever used in this Act—

Definitions.
"Branch."

(a) "Branch" means the small claims and conciliation branch of the municipal court, herein created.

(b) "Judge" means the judge or judges presiding in said branch.

"Judge."

(c) "Clerk" means the clerk or any assistant clerk of said municipal court assigned to said branch.

"Clerk."

(d) "Court" means the municipal court of the District of Columbia and the several judges thereof.

"Court."

SEC. 3. One or more judges of the municipal court shall serve in said branch for such periods and in such order of rotation as the judges of the court may determine.

Assignment of
judges.

SEC. 4. (a) Said branch shall have exclusive jurisdiction over all cases within the jurisdiction of the court in which the amount of the plaintiff's claim or the claimed value of personal property in controversy does not exceed \$50 exclusive of interest, attorneys' fees, protest fees, and costs. Said jurisdiction shall not include actions for recovery of the possession of real estate, whether or not such actions include a claim for arrears of rent, or personalty, or both arrears of rent and personalty.

Jurisdiction.

Exceptions.

(b) In order to effect the speedy settlement of controversies said branch shall also have authority with the consent of all parties to settle cases, irrespective of the amount involved, by the methods of arbitration and conciliation. The judges of said branch may also act as referees or arbitrators, either alone or in conjunction with other persons, under title 24, chapter 5, sections 91 to 109, inclusive, of the Code of Law for the District of Columbia, or under the United States Arbitration Act of February 12, 1925 (U. S. C., 1934 ed., title 9, sections 1 to 15), or otherwise. No judge, officer, or other employee of the municipal court shall receive or accept any fee or compensation in addition to his salary for services performed under this subsection.

Settlement of con-
troversies by arbitra-
tion, etc.

Judges as referees,
etc.

31 Stat. 1254.
24 D. C. Code §§
91-109.

43 Stat. 883.
9 U. S. C. §§ 1-15.

Fee, etc., restriction.

SEC. 5. (a) Actions shall be commenced in said branch by the filing of a statement of claim, in concise form and free of technicalities. The plaintiff or his agent shall verify the statement of claim by oath or affirmation in the form herein provided, or its equivalent, and shall affix his signature thereto. The clerk of said branch shall, at the request of any individual, prepare the statement of claim and other papers required to be filed in an action in this branch, but his services shall not be available to any corporation, partnership, or association in the preparation of such statements or other papers. A copy of the statement of claim and verification shall be made a part of the notice to be served upon the defendant named therein. The mode of service shall be by the United States marshal, as provided by law; or by registered mail with return receipt; or by any person not a party to or otherwise interested in the suit, especially appointed by the judge for that purpose.

Commencement of
actions; filing claims.

Verification.

Assistance of clerk;
restriction.

Service upon de-
fendant; mode.

(b) When notice is to be served by registered mail, the clerk shall enclose a copy of the statement of claim, verification, and notice in an envelope addressed to the defendant, prepay the postage with funds obtained from plaintiff, and mail the same forthwith, noting on the records the day and hour of mailing. When such receipt is returned, the clerk shall attach the same to the original statement

Service by regis-
tered mail.

of claim, and it shall constitute prima-facie evidence of service upon the defendant.

By private individual.

(c) When served by a private individual, as above provided, he shall make proof of service by affidavit before the clerk, showing the time and place of such service.

Cost of service.

(d) When served by the marshal, or by registered mail, the actual cost of service shall be taxable as costs. When served by an individual, as above provided, the cost of service, if any, shall not be taxable as costs.

Statement of claim, verification, and notice.

(e) The statement of claim, verification, and notice shall be in the following or equivalent form, and shall be in lieu of any forms now employed and of any form of summons now provided by law :

Form.

MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

SMALL CLAIMS AND CONCILIATION BRANCH

(Location of room in courthouse)

(Address of court)

WASHINGTON, D. C.

----- Plaintiff -----	} No.-----
----- Address -----	
----- VS. -----	
----- Defendant -----	

STATEMENT OF CLAIM

(Here the plaintiff, or at his request the clerk, will insert a statement of the plaintiff's claim, and the original, to be filed with the clerk, may, if action is on a contract, express or implied, be verified by the plaintiff or his agent, as follows:)

DISTRICT OF COLUMBIA, ss:

----- being first duly sworn on oath says the foregoing is a just and true statement of the amount owing by defendant to plaintiff, exclusive of all set-offs and just grounds of defense.

Subscribed and sworn to before me this ----- day of -----, 19-----

Plaintiff (or agent)

Clerk (or notary public)

NOTICE

To: -----

Defendant

Home address

Business address

You are hereby notified that ----- has made a claim and is requesting judgment against you in the sum of ----- dollars (\$-----), as shown by the foregoing statement. The court will hold a hearing upon this claim on ----- at ----- m. in the small claims and conciliation branch, (address of court).

You are required to be present at the hearing in order to avoid a judgment by default.

If you have witnesses, books, receipts, or other writings bearing on this claim, you should bring them with you at the time of the hearing.

If you wish to have witnesses summoned, see the clerk at once for assistance.

If you admit the claim, but desire additional time to pay, you must come to the hearing in person and state the circumstances to the court.

You may come with or without an attorney.

[SEAL]

Clerk of the small claims and conciliation
branch, municipal court.

(f) The foregoing verification shall entitle the plaintiff to a judgment by default, without further proof, upon failure of defendant to appear, when the claim of the plaintiff is for a liquidated amount; when the amount is unliquidated, plaintiff shall be required to present proof of his claim.

Judgment by default, when.

(g) The clerk shall furnish the plaintiff with a memorandum of the day and hour set for the hearing, which time shall be not less than five nor more than fifteen days from the date of the filing of the action. All actions filed in this branch shall be made returnable herein.

Plaintiff to be furnished due notice of hearing.

SEC. 6. A separate small claims and conciliation docket shall be maintained in said branch, in which shall be indicated every proceeding and ruling had in each case.

Small claims and conciliation docket.

SEC. 7. The fee for issuing summons and copies, trial, judgment, and satisfaction in an action in said branch shall be not more than \$1. Other fees shall be as the court shall prescribe. The judge sitting in said branch shall have full discretionary power to waive the prepayment of costs or the payment of costs accruing during the action upon the sworn statement of the plaintiff or upon other satisfactory evidence of his inability to pay such costs. When costs are so waived the notation to be made on the records of said branch shall be "Prepayment of costs waived", or "Costs waived". The term "pauper" or "in forma pauperis" shall not be employed in said branch. If a party shall fail to pay accrued costs, though able to do so, the judge of said branch shall have power to deny said party the right to file any new case in said branch while such costs remain unpaid, and likewise to deny such litigant the right to proceed further in any case pending in said branch. The award of costs shall be according to the discretion of the judge who may include therein the reasonable cost of bonds and undertakings, and other reasonable expenses incident to the suit, incurred by either party.

Fees.

Prepayment of costs; waiving of, if plaintiff unable to pay.

Notations; terms not to be employed.

Failure to pay, though able to do so.

Award of costs.

SEC. 8. (a) On the return day mentioned in section 5 hereof, or such later time as the judge may set, the trial shall be had. Immediately prior to the trial of any case, the judge shall make an earnest effort to settle the controversy by conciliation. If the judge fails to induce the parties to settle their differences without a trial, he shall proceed with the hearing on the merits pursuant to section 8 (b) of this Act.

Trial.

Conciliation provisions.

(b) The parties and witnesses shall be sworn. The judge shall conduct the trial in such manner as to do substantial justice between the parties according to the rules of substantive law, and shall not be bound by the statutory provisions or rules of practice, procedure, pleading, or evidence, except such provisions relating to privileged communications.

Sworn testimony; conduct of trial, etc.

Judge not bound by statutory provisions, etc.; exception.

(c) If the defendant fails to appear, judgment shall be entered for the plaintiff by default as above provided, or under any rule or rules of the municipal court now existing or hereafter promulgated, or on ex-parte proof. If the plaintiff fails to appear, the suit may be dismissed for want of prosecution, or a nonsuit may be ordered, or defendant may proceed to a trial on the merits, or the case may be continued or returned to the files for further proceedings on a later date, as the judge may direct. If both parties fail to appear, the judge may return the case to the files, or order the same dismissed for want of prosecution, or make any other just and proper disposition thereof, as justice may require.

If defendant fails to appear.

If plaintiff fails to appear.

Failure of both parties to appear.

SEC. 9. If the defendant asserts a set-off or counterclaim, the judge may, in his discretion, require a formal plea of set-off to be filed, or may waive the same. If plaintiff requires time to prepare his defense against such counterclaim or set-off, the judge may, in his discretion, continue the case for such purpose. If the set-off or counterclaim be

Set-off or counterclaim.

for more than the jurisdictional limit of said branch but within the jurisdictional limit of this court, the action shall nevertheless remain in said branch and be tried therein in its entirety.

Certification of cases before municipal court to branch for conciliation.

Completion of trial or recertification.

Stay of entry of judgment; partial payments until satisfied.

Stay of execution vacated for failure to meet installment. Remedies for enforcing judgment.

Claims for wages or personal services.

Examination, court orders.

Daily record of transactions. Monthly report to Attorney General.

Provisions applicable to practice.

Rules of procedure.

Forms.

Sessions.

Review of judgments.

SEC. 10. Whenever the interests of justice shall seem to require it, and all parties consent thereto, any judge of the municipal court may certify any case to said branch for conciliation, or to endeavor to obtain a complete or partial agreed statement of facts or stipulation, which will simplify and expedite the ultimate trial of the case. The trial of any such case if all parties consent may be completed in said branch or in the absence of such consent shall be recertified to another judge of the court for trial.

SEC. 11. When judgment is to be rendered and the party against whom it is to be entered requests it, the judge shall inquire fully into the earnings and financial status of such party and shall have full discretionary power to stay the entry of judgment, and to stay execution, except in cases involving wage claims, and to order partial payments in such amounts, over such periods, and upon such terms, as shall seem just under the circumstances and as will assure a definite and steady reduction of the judgment until it is finally and completely satisfied. Upon a showing that such party has failed to meet any installment payment without just excuse, the stay of execution shall be vacated. When no stay of execution has been ordered or when such stay of execution has been vacated as provided herein, the party in whose favor the judgment has been entered shall have the right to avail himself of all remedies otherwise available in said municipal court for the enforcement of such judgment.

SEC. 12. In all cases where the judgment is founded in whole or in part on a claim for wages or personal services the judge shall, upon motion of the party obtaining judgment, order the appearance of the party against whom such judgment has been entered, but not more often than once each four weeks for oral examination under oath as to his financial status and his ability to pay such judgment, and the judge shall make such supplementary orders as may seem just and proper to effectuate the payment of the judgment upon reasonable terms.

SEC. 13. The clerk of said branch shall maintain an accurate daily record of all transactions had therein and shall prepare and transmit to the Attorney General of the United States a monthly report in detail showing the number and nature of all such transactions.

SEC. 14. All provisions of law relating to the municipal court and the rules of the municipal court shall apply to the practice herein so far as they may be made applicable and are not in conflict with the provisions of this Act or with the rules hereunder promulgated. In case of conflict the provisions of this Act and the rules hereunder promulgated shall control.

SEC. 15. The judges of the municipal court shall forthwith make rules to provide for a simple, inexpensive, and speedy procedure to effectuate the purposes of this Act and shall have power to prescribe, modify, and improve the forms to be used therein, from time to time, to insure the proper administration of justice and to accomplish the purposes of this Act.

SEC. 16. The small-claims branch with a judge in attendance shall be open for the transaction of business on every day of the year except Saturday afternoons, Sundays, and legal holidays, and shall also hold at least one night session during each week.

SEC. 17. Nothing in this Act contained shall deprive any party of the right now existing to petition the United States Court of Appeals for the District of Columbia for a writ of error to review any judgment rendered in said branch of said municipal court.

SEC. 18. In any case filed or pending in said branch in which any party is entitled to demand a trial by jury and files such demand, the case shall be assigned to and tried in one of the regular branches of the court under the procedure provided for such trials.

Trial by jury, procedure when demanded.

SEC. 19. Except as otherwise provided in this Act, or in the rules promulgated hereunder, a party obtaining a judgment in said branch shall be entitled to the same remedies, processes, costs, and benefits as are given or inure to other judgment creditors in said municipal court.

Party obtaining judgment; rights, etc.

SEC. 20. All Acts and parts of Acts inconsistent herewith are hereby repealed.

Inconsistent Acts, etc., repealed.

SEC. 21. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Saving clause.

SEC. 22. This Act shall take effect on the thirtieth day after the date of its enactment.

Effective date.

Approved, March 5, 1938.

[CHAPTER 44]

AN ACT

To maintain unimpaired the capital of the Commodity Credit Corporation at \$100,000,000, and for other purposes.

March 8, 1938
[H. R. 9361]
[Public, No. 442]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as of the 31st of March in each year and as soon as possible thereafter, beginning with March 31, 1938, an appraisal of all the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Commodity Credit Corporation shall be made by the Secretary of the Treasury. The value of assets shall, insofar as possible, be determined on the basis of market prices at the time of appraisal and a report of any such appraisal shall be submitted to the President as soon as possible after it has been made. In the event that any such appraisal shall establish that the net worth of the Commodity Credit Corporation is less than \$100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such capital impairment by a contribution to the Commodity Credit Corporation in the amount of such impairment. To enable the Secretary of the Treasury to make such payment to the Commodity Credit Corporation, there is hereby authorized to be appropriated annually, commencing with the fiscal year 1938, out of any money in the Treasury not otherwise appropriated, an amount equal to any capital impairment found to exist by virtue of any appraisal as provided herein.

Commodity Credit Corporation, maintenance of capital unimpaired.
Annual determination of net worth.

Value of assets; report.

Restoration of amount of capital impairment.

Annual appropriations authorized.
Post, p. 1148.

SEC. 2. In the event that any appraisal pursuant to section 1 of this Act shall establish that the net worth of the Commodity Credit Corporation is in excess of \$100,000,000, such excess shall, as soon as practicable after such appraisal, be deposited in the Treasury by the Commodity Credit Corporation and shall be credited to miscellaneous receipts. The Secretary of the Treasury is directed, as soon as practicable, to use any amounts so deposited to retire an equivalent amount of the public debt, which amount shall be in addition to any other amount required to be used for such purpose.

Use of excess to retire public debt.

SEC. 3. The Secretary of Agriculture, the Governor of the Farm Credit Administration, and the Reconstruction Finance Corporation are hereby authorized and directed to transfer to the United States all right, title, and interest in and to the capital stock of the Commodity Credit Corporation which each of them now holds. All rights of the United States arising out of the ownership of such capital

Transfer of certain stock to United States.

Rights to be exercised by President, etc.